

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE**

In re:

PURE FOODS, INC., 2300 Tri-Cities Crossing Kingsport, TN 37663 Debtor.))))	Case No. 3:17-BK-30236-SHB Chapter 11
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NOTICE OF HEARING

Notice is hereby given that:

A hearing will be held on this matter on February 3, 2017, at 9:00 a.m. at 800 Market Street, Courtroom 1-C, Knoxville, TN 37902.

If you do not want the court to grant the relief requested, you or your attorney must attend this hearing. If you do not attend the hearing, the court may decide that you do not oppose the relief sought in the motion and may enter an order granting that relief.

**MOTION TO APPROVE PROCEDURES FOR SALE OF
SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS.**

Pure Foods, Inc. ("Debtor") hereby requests that this Court approve the following Motion to approve procedures for the sale of substantially all of the Debtor's assets (the "Motion") pursuant to Bankruptcy Rule 6004 and 6006 and as grounds for the Motion would show unto the Court as follows:

1. The Debtor filed a voluntary Chapter 11 case on January 30, 2017 and is acting as debtor-in-possession of its assets pursuant to 11 U.S.C. §1107 and 1108. No creditors' committee, trustee or examiner has been appointed in this case at this time.

2. Over the last twenty years, the Debtor's officers and principals have been in the business of selling a variety of private label snacks in North America. In January 2016, the Debtor upgraded its equipment and operating facility and moved to a new 88,000 square foot

state of the art snack facility located in Kingsport, TN in order to produce a more healthy line of snacks. The demand for this change, however, did not meet projections, and the Debtor had to significantly reduce its normal operations at the end of October, 2016.

3. In order to manage the wind down of its operations, Resurgence Financial Services, LLC (“RFS”) was engaged as the Chief Restructuring Officer and Financial Assistant of the company and during the last several months RFS has negotiated an asset purchase agreement to sell substantially all of the Debtor’s assets.

4. The Debtor has executed an Asset Purchase Agreement dated January 20, 2017 (the “APA”) with Anita’s Snack Foods Corp. (“Anita’s Snack Foods”) for the sale of substantially all of the assets of the Debtor (the “Assets”) for the purchase price of \$3,100,000. A copy of the APA is attached hereto as Exhibit A.

5. Paragraph 3.5 of the APA requires the Debtor to seek approval of a “break-up fee” payable to Anita’s Snack Foods at closing in the amount equal to 2.5% of the purchase price (approximately \$80,000) if the approved purchaser is an entity other than Anita’s Snack Foods.

6. Further, under the terms of the APA, the Debtor must seek approval of the sale and the Debtor desires to obtain Court approval of the procedures to be followed to obtain approval of the APA. A copy of the proposed procedures are attached hereto as Exhibit B (“Sale Procedures”).

WHEREFORE, the Debtor prays that the Court enter the attached Order approving the proposed Sale Procedures, including Break-Up Fee and reimbursement of expenses, and setting a hearing on the sale of the Assets at a date acceptable to the Court and consistent with the terms of the APA.

Respectfully Submitted:

/s/ William L. Norton III
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Attorneys for Debtor

CERTIFICATE OF SERVICE

I hereby certify that on January 31, 2017, a true and correct copy of the foregoing Motion and attached exhibits have been served upon the following by electronic mail and/or ECF.

Tiffany Dilorio, Attorney for US Trustee
Matthew Gartner, Attorney for CoBank
Mark S. Dessauer, Attorney for Anita's Snack Foods Corp.

The following have been upon the persons listed below by placing a copy thereof, first class postage prepaid.

Pure Foods, Inc
2300 Tri-Cities Crossing
Kingsport, TN 37663

Belcorp
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Canada

/s/ William L. Norton
William L. Norton III

